



City of Albuquerque

Legislative File Number O-02-70 (version 2)

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## **CITY of ALBUQUERQUE FIFTEENTH COUNCIL**

COUNCIL BILL NO. FSO-02-70 ENACTMENT NO.  
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SPONSORED BY: Greg Payne

### **ORDINANCE**

**F/S Amending ROA to Reserve 1% of the General Fund Capital Implementation Program for Energy Conservation Projects to be Selected by the Energy Conservation Council and Approved by the Capital Implementation Program Selection Committee (Payne)**

## **CITY of ALBUQUERQUE FIFTEENTH COUNCIL**

COUNCIL BILL NO. FSO-02-70 ENACTMENT NO.  
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SPONSORED BY: Greg Payne

### **ORDINANCE**

**AMENDING SECTION 2-12-12 TO RESERVE 1% OF THE GENERAL FUND CAPITAL IMPLEMENTATION PROGRAM FOR ENERGY CONSERVATION PROJECTS ESTABLISHING CRITERIA FOR SELECTION OF ENERGY CONSERVATION PROJECTS AND AMENDING SECTIONS 14-8-5-1, 14-8-5-2, 14-8-5-3 AND 14-8-5-4 EXPANDING THE POWERS AND DUTIES OF THE ENERGY CONSERVATION COUNCIL TO INCLUDE REDUCING ENERGY CONSUMPTION**

**IN CITY GOVERNMENT AND PREPARING IN COOPERATION WITH THE MAYOR  
AN ANNUAL ENERGY USE REPORT.**

**BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
ALBUQUERQUE:**

**SECTION 1. FINDINGS.**

**The Council finds that:**

**(A) In Fiscal Years 2001 and 2002 energy costs comprised an average 27.5 million dollars of the total city budget including the enterprise and general funds.**

**(B) In recent years a pattern of slow growth has affected city revenues, requiring greater efficiency in City operations.**

**(C) The City's ability to construct capital facilities exceeds the ability of the general fund to provide funding to maintain and staff such facilities.**

**(D) The General Fund Operating Budget is sustained by Gross Receipts Tax and in recent years this tax was removed from prescriptions and the incoming administration of Governor Elect Richardson intends to remove the sales tax from food sales.**

**(E) The city should be a model of energy conservation to protect the environment.**

**(F) The cost to install Energy Conservation measures is regained in a 5 to 10 year period through the savings in energy purchases generated by the measures. After the cost is regained the savings help to produce positive fund balances for the general fund that can improve maintenance and staffing at capital facilities and help the City to overcome future challenges presented by diminishing sources of Gross Receipts Revenues and pressing needs for planned expansions in Enterprise Fund Departments.**

**(G) Section 14-8-5-1 of the Albuquerque City Code recognizes that energy conservation in residential, commercial, industrial, transportation uses and utility generation is an important community goal. It is the intent of §§ 14-8-5-1 et seq. to serve the public welfare by developing and implementing a community-wide effort to conserve energy. The city's role is to provide a mechanism for community leadership in reduction of energy consumption, to facilitate public involvement in energy conservation, and to increase the effectiveness of programs carried on by other entities.**

**(H) Policy 3-D of the Albuquerque Bernalillo County Comprehensive Plan declares that, "Public and private planning decisions should promote energy management and efficient use of energy-related resources to ensure the community is served with a balanced mix of affordable energy supplies.**

**(I) Section 14-8-5-2 of the Albuquerque City Code creates the Energy Conservation Council, consisting of nine members who have responsibility for effecting energy conservation programs within the residential, commercial, industrial, transportation, and utilities sectors of the community or who have leadership roles within the community. No member shall represent a specific agency or organization, but rather the community at**

large. All members shall be appointed by the Mayor with the advice and consent of the Council.

**SECTION 1. Section 2-12-12 CAPITAL IMPROVEMENTS PROGRAM INTENT; SCOPE is amended to read.**

(A) The Capital Improvement Program (CIP) plan shall include, and take as a starting point, an inclusive perspective of all capital expenditures regardless of fund source (including, but not limited to City, State, Federal funds, and private contributions-in-aid) including those expended by the City directly and those undertaken by other public agencies within the city limits that are related to the City's adopted goals. The City-funded public purposes capital improvements shall be considered as a component of this over-all perspective.

(B) The Capital Improvement Program shall be linked to the City's adopted Five Year Goals, Program Strategies, and to the Performance Plan of city departments.

(C) The Capital Improvement Program shall be consistent with and carry out the policies contained in the City/County Comprehensive Plan.

(D) The first priority of the City's Capital Improvement Program shall be to rehabilitate, replace, and maintain in good condition the capital assets of the City. Pursuant to this priority, facility plans shall be developed and maintained by all City departments, coordinated according to a common set of standards by the CIP office. These plans shall include the condition of the City's major capital assets and a program of necessary annual capital expenditures to restore, replace, and maintain the facilities, vehicles and equipment in good condition. These inventories and plans shall be completed by the 2003 CIP. The plan for water, wastewater, streets, and hydrology shall be based on the Planned Growth Strategy findings.

(E) City-funded public-purpose capital improvements are undertaken in order to implement the city's adopted goals and objectives: normally, these have been adopted in city plans for urban development and conservation. In order to maximize the effectiveness of capital improvements in advancing such goals and objectives in a coordinated manner, and in order to efficiently use public funds, the Mayor shall develop and submit to the Council a proposed Capital Improvements Program, which shall include all city-funded public-purpose capital projects proposed to be built within ten years. The program shall include but is not limited to all projects financed by general obligation bonds, revenue bonds, Urban Enhancement Fund monies, Tax Increment Fund monies, Consolidated Plan monies, tax and rate revenues, Federal and State grants, metropolitan redevelopment bonds and special assessment districts. Projects built with industrial development bonds are not normally included.

(F) The proposed Capital Improvements Program shall consist of a ten-year plan of capital expenditures, including a more detailed two-year Capital Improvements Budget. The proposed Capital Improvements Program shall include a listing of projects in order of priority and proposed year of

construction or acquisition. Data on each project shall include:

- (1) The anticipated capital cost of each project;
- (2) The anticipated source of capital funds for each project;
- (3) The estimated annual operating cost or savings for each project;
- (4) The estimated completion date of each project;
- (5) The adopted plan or policy, if any, which each project would help to implement;
- (6) The viable alternatives that were considered for each project and the reasons the proposed project is the most cost-effective and practical alternative for meeting the stated objective;
- (7) The project's ranking in whatever sequencing/priority-setting system is used as a basis for proposed programming; and
- (8) The impacts of proposed capital improvements on user rates (for enterprise fund projects); and
- (9) The percentage allocations of each project as "growth", "rehabilitation", "deficiency", and "mandate", which categories are defined in Bill No. F/S R-37 (Enactment 118-2000), establishing priorities for the 2001 Capital Improvement Plan; and
- (10) The capital projects of the enterprise funds shall be evaluated by the Capital Improvements Program staff in a similar manner as those for the General Fund.

(G) All assets included in projects to be funded in part or in total from proceeds of general obligation bond issues or revenue bond issues shall have a minimum service life expectancy at least equal to the term of the relevant bond issue.

(H) All CIP project items with a two year programmed amount in the General Fund and a one year programmed amount in the Enterprise Funds of \$100,000 or more shall be included in the CIP bill as a separate line item.

(I) Separate bond issues shall be sold to fund vehicles and equipment, the term of which bonds shall not exceed five years.

"[(J) One percent of the CIP for the general fund in the 2003, 2005 and 2007 bond elections shall be reserved to fund the purchase of energy conservation equipment and building materials used to reduce energy costs for General Fund Programs that will demonstrably reduce energy consumption. This fund shall be known as the 1% for Energy Conservation Set-A-Side for Capital Improvements. The Planning for the fund shall be consistent with the requirements established in Paragraph D of this Section.

(K) The Department of Finance and Administrative Services will budget 1% of the General Obligation Bond Program for the Energy Conservation Set-A-Side for Capital Improvements.

(L) Departmental applications for the 1% for Energy Conservation Set-A-Side for Capital Improvements shall be submitted to the Facility, Energy & Security Management Division. The Division Manager shall appoint a

committee of staff technical experts who will approve the savings. The Manager for the Facility, Energy & Security Management Division shall chair the committee. The Committee shall establish criteria to select the projects that include but are not limited to: 1) the capital expenses of a project should be regained from energy savings generated from the project within 10 years, using the average cost per unit for a energy resource(s). The cost per unit will be derived by averaging the cost for the energy source(s) that will be conserved, over the previous three fiscal years prior to the submission of the application. 2) If a proposal is for construction or installation the scope of the project shall only be for energy conservation. 3) The monetary amount distributed to any one project shall not exceed 40% of the funding available in the 1% Energy Conservation Set-A-Side. 4) The project shall be consistent with the requirements set forth in Paragraph D of this Section. +]"

**Section 2:** Chapter 14-8-5-1 "INTENT" for the Energy Conservation Council shall be amended to read.

The city hereby recognizes that energy conservation in residential, commercial, industrial, transportation uses "[+,city government+]" and utility generation is an important community goal. It is the intent of §§ 14-8-5-1 et seq. to serve the public welfare by developing and implementing a community-wide effort to conserve energy. The city's role is to provide a mechanism for community leadership in reduction of energy consumption, to facilitate public involvement in energy conservation, and to increase the effectiveness of programs carried on by other entities.

**Section 3:** Chapter 14-8-5-2 "ENERGY CONSERVATION COUNCIL" is amended to read.

(A) There is hereby created the Energy Conservation Council, which shall consist of nine members who have responsibility for effecting energy conservation programs within the residential, commercial, industrial, "[+city government, energy conservation interest groups+]" transportation, and utilities sectors of the community or who have leadership roles within the community. No member shall represent a specific agency or organization, but rather the community at large. All members shall be appointed by the Mayor with the advice and consent of the Council.

(B) The term of each Energy Conservation Council member shall be three years; of the members first named three shall have terms ending April 30, 1981, three shall have terms ending April 30, 1982 and three shall have terms ending April 30, 1983.

The Mayor shall determine which members shall have which terms.

**Section 4: Chapter 14-8-5-4, "POWERS AND DUTIES" for the Energy Conservation Council shall be amended to read.**

(A) Study energy uses and losses and means of reducing energy consumption in the city;

(B) Establish energy saving goals and a community wide energy conservation program for the city;

(C) Work with citizens, "[+,city employees,+]" organized groups and businesses to develop and implement energy conservation programs;

(D) Educate citizens, "[+,city employees,+]" professional groups, the business community, builders, educators, elected officials, community

organizations, and other key persons about energy conservation;

(E) Promote cooperation and encourage coordination between the city and other entities which are involved in energy conservation;

(F) Advise the Mayor and Council on legislation, programs and policies which would contribute to energy conservation;

(G) Provide for evaluation of energy conservation programs which have been implemented;

(H) Adopt and promulgate such rules and regulations as may be necessary to implement §§ 14-8-5-1 et seq.;

(I) Form such committees as are necessary to carry out the Energy Conservation Council's assigned powers and duties from its membership and from the general public;

(J) Submit an annual written report on its activities and an evaluation of the effectiveness of §§ 14-8-5-1 et seq. to the Mayor and Council;

"[(K). April 1<sup>st</sup> of each calendar year the Mayor and the Energy Conservation Council shall communicate to the City Council for Receipt an Energy Use Report for all City Programs including the enterprise fund and the general fund. The plan shall include: 1) a ledger itemizing for the last 3 years, at the department division level, the energy consumed by type of energy source and the purpose for which it was consumed, 2) a report of the reasons by department division level for increases or declines in the consumption of a particular source of energy and 3) a list, by department division level of opportunities for energy conservation and the cost to implement those energy conservation strategies ~~(K)~~ (L)+]" Perform all other duties delegated to it by the Mayor and the Council.

SECTION 4. SEVERABILITY CLAUSE. If any section, paragraph, sentence, clause, word or phrase of this ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The Council hereby declares that it would have passed this ordinance and each section, paragraph, sentence, clause, word or phrase thereof irrespective of any provision being declared unconstitutional or otherwise invalid.

SECTION 5 COMPILATION. Sections 2 and 3 of this ordinance shall be incorporated in and made part of the Revised Ordinances of Albuquerque, New Mexico, 1994.

SECTION 6. EFFECTIVE DATE. This ordinance shall take effect five days after publication by title and general summary.

**legislation/ordinances/fs-o-70.doc.**